



**MIKE COX**  
ATTORNEY GENERAL

P.O. Box 30212  
LANSING, MICHIGAN 48909

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**CONTACT:** Rusty Hills  
517-373-8060

**Cox Announces Multistate Settlements with  
Trilegiant Corporation and Chase Bank**  
*Michigan to Receive \$150,000 as Part of  
Misleading Membership Solicitation Settlements*

**LANSING** – Attorney General Mike Cox today announced a \$14.5 million, 16-state settlement with Trilegiant Corporation and Chase Bank that resolves allegations that the companies misled consumers into paying for membership programs that purported to provide consumers with discounts on auto and home repairs, shopping, and other goods and services. Michigan will receive \$150,000 from Trilegiant and Chase as part of the settlement agreement.

"Misleading customers into purchasing unwanted services is unacceptable," said Cox. "My office will work vigilantly to ensure that customers are provided with information that fully discloses the costs and fees associated with memberships and solicitations."

Today's settlements resolve claims by the Attorneys General that Trilegiant solicited consumers with offers of "free" trial membership programs without adequately informing consumers they would be automatically charged for these services if they did not affirmatively cancel within a specified period of time. The solicitations often included a check for between \$2 and \$10 which many consumers mistook for rebates or rewards. When cashed, however, the checks purported to create an ongoing payment agreement for the membership program after the free trial offer ended. Through an agreement with Chase, Trilegiant was provided access to Chase customers for the purpose of marketing the membership programs. Solicitations were often included in Chase mortgage or credit card statements, which prevented consumers from realizing the solicitations were in fact from Trilegiant. Because program charges were automatically billed to consumers credit cards or loan statements absent affirmative cancellation within a required time period, many consumers did not discover that they had purchased memberships until the charges appeared. Trilegiant membership product names include, but are not limited to, AutoVantage Gold Service, AutoVantage Service, Buyers Advantage Service, CompleteHome Service, Just for Me, Pet Privileges Service, Shoppers Advantage Service, and Travelers Advantage Service.

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Today's settlement with Trilegiant requires the company to pay a combined \$8.325 million in restitution to all consumers in Michigan and the 15 other settling states who have already complained to Trilegiant or their Attorney General, or who complain in writing within the next nine months. Of the states that settled with Trilegiant and Chase, approximately seven percent of the consumers charged for memberships live in Michigan. By separate settlement agreements, Trilegiant and Chase will also pay \$6.175 million to the states for their costs and fees. The State of Michigan will receive a total of \$150,000 from the companies.

To protect consumers from being misled in the future, the settlements require reforms of Trilegiant's and Chase's business practices. Future solicitations sent by Trilegiant, or any other company that solicits Chase customers in a similar manner, must clearly disclose all the terms of any "free trial," including when and how the customer will be billed for any membership, and how to cancel a membership. Additionally, the settlement forbids Chase and Trilegiant from engaging in any deceptive conduct in the marketing of membership programs. The prohibited practices include identifying a solicitation as a "reward" or "rebate" offer. Any checks or other premiums offered as part of a solicitation must be advertised as an incentive for the purchase of a membership.

Consumers who signed up for membership in a Trilegiant club through solicitations from any bank or other company and who were first charged membership fees on or after July 1, 2001, are eligible to receive restitution. Additionally, Trilegiant is required to send renewal notices to consumers who have active memberships advising them that they have purchased memberships and how to cancel if they wish.

In addition to Michigan, Attorneys General from the following states joined today's settlements: Alaska, California, Connecticut, Illinois, Iowa, Maine, Missouri, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Vermont, and Washington. Complete terms of the settlement agreement ("Assurance of Discontinuance") as well as a Consumer Alert with information on how to dispute unauthorized credit card charges are available on the Attorney General's Web site, <http://www.michigan.gov/ag>.

Consumers who wish to discover whether they may have unknowingly paid for a membership program should carefully examine their credit card and mortgage statements and should also monitor their mail for any notices from Trilegiant. They may also contact Trilegiant via the company's Web site, <http://www.trilegiant.com>, or by writing to Trilegiant Corporation, 100 Connecticut Avenue, Norwalk, CT 06850, ATTN: K. Buonagurato. Complaints requesting restitution for unauthorized charges may be submitted to the Attorney General's Consumer Protection Division online at <http://www.michigan.gov/ag> or by writing to the Consumer Protection Division, P.O. Box 30213, Lansing, MI 48909.

Concluded Cox, "Billing practices should always be fully transparent. Today's settlement is truly a win in protecting the rights of Michigan consumers."